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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/467,646	12/20/1999	ANTHONY F. HERBST	NEWMRKTP99-4	2648

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EXAMINER

KEE, DAVID M

ART UNIT

PAPER NUMBER

3628

DATE MAILED: 07/30/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/467,646

Applicant(s)

HERBST ET AL.

Examiner

David Kee

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 20 December 1999.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-51 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-51 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 20 December 1999 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 5.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other:

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DETAILED ACTION

This application has been reviewed. Original claims 1-51 are pending. The objections and rejections are stated below.

Specification

1. Claim 16 is objected to because of the following informalities:

- Claim 16, the phrase “first and second computer” should be changed to “first and second computers”.

Appropriate correction is required.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

2. Claim 5 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 5, recites the limitation “the digital signals investments”.

There is insufficient antecedent basis of the above limitations in the claims.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

3. Claims 1, 9, 10, 12-15, 21, 22, 25, 26, 28-32, and 40-43, are rejected under 35 U.S.C. 102(a) as being anticipated by Cwenar US Pat No. 5,893,079.

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Claim 1, Cwenar teaches a System for Receiving, Processing, Creating, Storing, and Disseminating Investment Information. Cwenar also teaches a method comprising the following steps:

- receiving, at a central computer, first digital signals from a first computer specifying a custom set of investments for a fund (Abstract; Figure 1; and col. 3, line 65);
- receiving, at the central computer, second digital signals from a second computer specifying a custom set of investments for the fund (Abstract; Figure 1; and col. 3, line 65);
- generating, at the central computer, digital signals for acquisition of investments consistent with the first digital signals and the second digital signals (Abstract; Figure 1; and col. 4, line 7);
- entering transaction data, at the central computer, reflecting the acquisition of said investments (Abstract; Figure 1; and col. 4, line 7); and
- outputting a separate accounting for each said set of investments within the fund (Abstract; col. 4, line 18; and col. 7, line 27).

Claims 9 and 10, Cwenar teaches a method wherein a compliance check is performed to compare a proposed trade with a group of rules (col. 2, lines 41-51 and col. 11, line 35).

Claim 12, Cwenar teaches a method wherein investments are grouped into subsets called “baskets” to create individualized investment portfolios (col. 13, line 19).

Claim 13, Cwenar teaches a method wherein client rules are specified and stored (col. 10, lines 23-36).

Claims 14, 15, 21, and 22, Cwenar teaches a method wherein multiple users may access a server and central database to make changes to stored investment data (col. 5, lines 56-63).

Claims 25, 26, and 28-31, Cwenar teaches a method wherein an interchange architecture facilitates real-time communication between the investor's workstation, fund accounting environment, traders, and portfolio managers (col. 10, line 48 and col. 10, lines 57-67).

Claims 32 and 41, Cwenar teaches a method wherein investment requests are received through an "external user interface" which facilitates communication between users, data sources, servers, and libraries (col. 5, line 64 to col. 6, line 9).

Claim 40, Cwenar teaches a method wherein a user may input investment rules into the central database via an external user interface (col. 11, line 44).

Claims 42 and 43, Cwenar teaches a method wherein the system receives user-defined rules. The rules contain information regarding investment diversification (i.e., asset allocation percentages) (col. 12, line 12).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 2-8, 11, 16-19, 23, 24, 33-39, and 44-51, are rejected under 35 U.S.C. 103(a) as being unpatentable over Cwenar US Pat No. 5,893,079.

Claims 2-8, the teachings of Cwenar are described above.

Cwenar fails to teach a method wherein

- digital signals for acquisition of equity asset investments are generated;
- digital signals for acquisition of interest bearing assets are generated; and
- digital signals for acquisition of derivatives are generated.

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the teachings of Cwenar to include a method wherein digital signals for acquisition of equity asset investments, interest bearing assets, and derivatives are generated because Cwenar's invention receives, processes, creates, stores, and disseminates digital signals for "investment data". Since Cwenar does not limit the term "investment data" it would have been obvious that investment data can include data for equity asset investments, interest bearing assets, and derivatives.

The motivation to include a method wherein digital signals for acquisition of equity asset investments, interest bearing assets, and derivatives are generated is to improve the efficiency of the system by enabling the system to accommodate data for specific types of investments.

Claim 11, the teachings of Cwenar are described above.

Cwenar fails to teach a method wherein rules limit a minimum investment.

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the teachings of Cwenar to include a method wherein rules limit a minimum investment because many brokerage firms employ a minimum investment policy on high yield funds. Also, Cwenar teaches a method wherein rules define a maximum investment (col. 12, line 3). It would have been obvious, to redefine Cwenar's invention to limit investments to a minimum as opposed to a maximum.

The motivation to include a method wherein rules define a minimum investment is to improve the efficiency of the system by enabling the system to enforce predefined limits on specific investment funds.

Claims 16 and 23, the teachings of Cwenar are described above.

Cwenar fails to teach a method of specifying the automatic reinvesting of client incomes and client capital gains using client rules.

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the teachings of Cwenar to include a method of specifying the automatic reinvesting of client incomes and client capital gains using client rules because it is common practice for investors to reinvest their gains back into their vested fund.

The motivation to include a method of specifying the automatic reinvesting of client incomes and client capital gains using client rules is to improve the efficiency of the system by removing the manual process of reinvesting a client's gains.

Claims 17, 18, and 24, the teachings of Cwenar are described above.

Cwenar fails to teach a method of periodic rebalancing using client rules.

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the teachings of Cwenar to include a method of periodic rebalancing using client rules because in order to maintain an account that is reflective of the market as well as a client's preferences, accounts must be periodically rebalanced in accordance to predefined rules.

The motivation to include a method of periodic rebalancing using client rules is to improve the efficiency of the system by enabling the system to maintain accounts that are in step with market conditions as well as adhere to client preferences.

Claim 19, the teachings of Cwenar are described above.

Cwenar fails to teach a method wherein a change in a market condition triggers a rebalancing.

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the teachings of Cwenar to include a method wherein a change in a market condition triggers a rebalancing because changes in the market are usually the primary reason for rebalancing.

The motivation to include a method wherein a change in a market condition triggers a rebalancing is to improve the efficiency of the system by enabling an investor's account balance to be consistent with the market.

Claims 33-39, the teachings of Cwenar are described above.

Cwenar fails to teach a method wherein a central computer system communicates with a client server to carry out investment transactions.

Cwenar does not specifically define client server, it would have been obvious to one of ordinary skill in the art at the time of the invention to deduce that a client server can be a part of

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any type of computer system (e.g., trading, brokerage, investment manager, banking, funds transfer, and etc.) involved in the process of receiving, processing, creating, storing, and disseminating investment information (Figure 4 and col. 9, line 54 to col. 10, line 50).

The motivation to include a method wherein a central computer system communicates with a client server to carry out investment transactions is to enable cross network investment transactions and data sharing.

Claim 44, the teachings of Cwenar are described above.

Cwenar fails to teach a method wherein instructions are received to manage a set of investments to match an index.

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the teachings of Cwenar to include a method wherein instructions are received to manage a set of investments to match an index because all investments are ideally made to match or beat market indices.

The motivation to include a method wherein instructions are received to manage a set of investments to match an index is to improve the efficiency of the system by enabling the system to maintain account balances at a predefined threshold.

Claims 45-51, the teachings of Cwenar are described above.

Cwenar fails to teach a method wherein investment management rules contain instructions for managing equity asset investments, interest-bearing assets, and derivatives.

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the teachings of Cwenar to include a method wherein investment management rules contain instructions for managing equity asset investments, interest-bearing assets, and derivatives because Cwenar does not limit the type of investments managed by his invention (col. 3, line 55). Therefore, Cwenar's invention could contain instructions for managing equity asset investments, interest-bearing assets, and derivatives.

The motivation to include a method wherein investment management rules contain instructions for managing equity asset investments, interest-bearing assets, and derivatives is to

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improve the efficiency of the system by enabling the system to accommodate those investment types defined by the applicant.

5. Claims 20 and 27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cwenar US Pat No. 5,893,079 and in further view of Wallman US Pat No. 6,338,047-B1.

Claim 20, the teachings of Cwenar are described above.

Cwenar fails to teach a method wherein a set of investments is changed in response to a client transaction in a cash management account system.

Wallman teaches a method of adjusting the assets and liabilities of a fund in response to an action by one of the fund's members (col. 4, line 17).

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the teachings of Cwenar to include a method of adjusting the assets and liabilities of a fund in response to an action by one of the fund's members as taught by Wallman because it would have greatly improved the efficiency of the system by enabling the system to dynamically manage a fund as a client's account balance changes. Also, Wallman does not limit the type of account an investor uses to fund an investment (col. 9, line 6). Therefore, Wallman's invention could include cash management accounts.

Claim 27, the teachings of Cwenar are described above.

Cwenar fails to teach a method wherein investments may be reallocated from one investment set to another.

Wallman teaches a method wherein investments may be reallocated from one investment set to another (col. 7, line 64).

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the teachings of Cwenar to include a method wherein investments may be reallocated from one investment set to another as taught by Wallman because it would have greatly improved the efficiency of the system by enabling an investor to modify and personalize their investment portfolio.

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Conclusion

6. The prior art made of record and not relied upon is considered pertinent to the applicant's disclosure.

- a. Shkedy US Pat No. 6,236,972-B1 May 22, 2001. Method and Apparatus for Facilitating Transactions On A Commercial Network System.
- b. Corlett et al. US Pat No. 6,253,192-B1 Jun. 26, 2001. Method of Personal Financial Planning.
- c. Durbin et al. US Pat No. 4,933,842 Jun. 12, 1990. Automated Investment Fund Accounting System.
- d. Zurstrassen US Pat No. 6,029,148 Feb. 22, 2000. Data Processing System For The Selective Distribution Of Assets Between Different Portfolios.

7. Any inquiry concerning this communication or earlier communication from the examiner should be directed to David Kee whose telephone number is (703) 305-5345. The examiner can normally be reached Monday through Friday from 8:30 AM to 5:00 PM.

If attempts to reach the examiner by telephone are unsuccessful. The examiner's supervisor, Frantzy Poinvil can be reached at (703) 305-9779.

The fax number for Formal or Official faxes and Draft or Informal faxes to Technology Center 3600 or this Art Unit is (703) 305-7687.

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 308-1113.

David Kee

July 16, 2002

FPoinvil
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PRIMARY EXAMINER
AU 3628